

9 April 1979

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 9 April 1979

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The Director chaired the meeting. []

Parmenter reported that the unusually high number of Soviet submarines away from their pens is not interpreted by intelligence analysts as a dispersal exercise. Rather, the situation is being viewed as a missile (SS-11) firing exercise similar to the one conducted in August 1978. []

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Taylor reported that his office is "knee deep" in Agencywide development of the 1981 program. The Director raised the question of where we stand re the contingency reserve fund and how we should go about replenishing the fund which, at the moment [] also if we would lose this amount at year end. Taylor explained that the "contingency reserve" is a no-year fund, i.e., the existing amount is carried from year to year. Taylor went on to describe the complexities currently involved in gaining replenishment [] (fund limit set by Congress).

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Not the least of several difficulties is Representative Burlison's negative views (stemming largely from the Angola crisis) on this reserve fund. Another problem to be tackled is to gain clarification and agreement from Congressional committees on the definition of "authorization" re the reserve fund. The Director stressed the importance of ironing out the difficulties and finding a way as soon as possible--immediately following the Congressional markup on the 1980 budget--to replenish the fund. He noted that we cannot afford to have a reserve well below our potential near-term need, especially at a time when Congress is becoming less hostile to our operational needs. He asked Taylor to work with Hitz and the DDCI on this. (Action: Comptroller) []

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Hetu commented on his office's ongoing exchange with members of the news media re press bias and error in their reporting of the facts. He did note, however, that in a recent news item, API did in fact quote us correctly and called attention to the attached. []

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Hitz reported on efforts to gain support from Congressional committee members during the 1980 budget markup. Promising sessions were held with Representatives Mineta and Robinson. The SSCI has completed its markup; will go to full committee on 10 April. []

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Lapham reported that Snapp has taken the first steps necessary for the Supreme Court to hear his case. In response to the DCI's query on where we stand re a revised Secrecy Agreement, Lapham explained the paper was on his desk and he would soon be forwarding a recommendation. The Director stressed to all the importance of maintaining a coordinated position in responding to the Sullivan article (attached) and asked Bowie to develop same. (Action: D/NFAC) []

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D. May reported that the DDA get together with his office heads late last week [] was most successful and that their visit from [] was a high point. He reported that the GSA ruling on smoking in Government buildings is now in effect. DDA will soon post "No Smoking" signs in appropriate locations, e.g., elevators, conference rooms, and cafeteria sections. The Director asked that appropriate means be used to be sure that employees fully understand that this is not an Agency ruling but a Government-wide ruling. May reported also that ABC is planning a media event on "intelligence leaks." He requested that Hetu get in touch with DoD's PR man, Ross, who is already coordinating this matter. Mr. Carlucci asked about the new problem regarding paid parking for Federal employees. Several commented that it appears unlikely that it will affect Headquarters, but it is being looked at. [] sees CTS and RMS spaces (about 15) downtown being affected.

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7AM-SPY PLANS;340

WILMINGTON, DEL. (AP) - THE CIA COVERED UP THE SOVIET UNION'S ACQUISITION OF SECRET PLANS FOR TWO SOPHISTICATED U.S. SPY SATELLITE SYSTEMS; THE SUNDAY NEWS JOURNAL REPORTS.

THE WHITE HOUSE AND CONGRESS WERE NOT TOLD OF THE ALLEGED SECURITY BREACH BECAUSE THE CIA FEARED THE REVELATION MIGHT JEOPARDIZE SENATE RATIFICATION OF THE SALT II AGREEMENT; THE NEWSPAPER SAID; CITING UNIDENTIFIED SOURCES IN A COPYRIGHT STORY BY REPORTERS JOE TRENTO AND RICHARD SANDZA.

"IT'S A RIDICULOUS STORY," CIA SPOKESMAN HERBERT METU TOLD THE ASSOCIATED PRESS SATURDAY. "(THE WRITER) HAS REALLY GOT HIS FACTS SCREWED UP AS HE USUALLY DOES."

THE PLANS ACQUIRED BY THE SOVIETS WERE THOSE OF THE KEYHOLE AND RHYOLITE SATELLITES - SURVEILLANCE SYSTEMS DESIGNED TO MONITOR SOVIET COMPLIANCE WITH THE ARMS LIMITATION AGREEMENTS; THE NEWSPAPER SAID.

THE KEYHOLE SYSTEM CAN TAKE AND TRANSMIT VIDEOTAPES OF OBJECTS AS SMALL AS A GOLF BALL; THE NEWSPAPER SAID; WHILE THE RHYOLITE ALLOWS SURVEILLANCE OF TELEPHONE CALLS; RADIO TRAFFIC AND OTHER MESSAGES.

WILLIAM KAMPILES; A FORMER CIA EMPLOYEE IN LANGLEY, VA., WAS CONVICTED FOR STEALING THE KEYHOLE MANUAL AND SELLING IT TO THE RUSSIANS IN 1978.

THE NEWSPAPER SAID ITS THREE-MONTH INVESTIGATION SHOWED THE CIA KNEW THOUSANDS OF PAGES OF TECHNICAL DOCUMENTS HAD BEEN SOLD TO THE SOVIETS IN LATE 1976 BY A TRW INC. EMPLOYEE AND HIS ACCOMPLICE. TRW, BASED IN REDONDO BEACH, CALIF., IS A PRIME CONTRACTOR FOR THE SATELLITE PROGRAMS.

ANDREW D. LEE, 26, AN UNEMPLOYED CARPENTER; AND CHRISTOPHER J. BOYCE, 23, A TRW CLERK; WERE CAUGHT SELLING THE DOCUMENTS TO THE KGB IN MEXICO CITY IN JANUARY 1977; THE NEWSPAPER SAID. BUT THEY WERE NOT CHARGED IN THE ALLEGED KEYHOLE AND RHYOLITE SECURITY BREACH; THE NEWSPAPER SAID; BECAUSE THE CIA DID NOT WANT THE LOSSES REPORTED.

INSTEAD; BOYCE AND LEE WERE CONVICTED OF SUPPLYING MICROFILMED BLUEPRINTS OF A PROPOSED "PYRAMIDER" COMMUNICATIONS SATELLITE DESIGNED TO HANDLE CIA MESSAGES; THE NEWSPAPER SAID.

LEE IS SERVING A LIFE SENTENCE FOR HIS ROLE IN THE "PYRAMIDER" CASE; AND BOYCE IS SERVING A 40-YEAR PRISON TERM IN THE SAME CASE.

DECEPTION ALLEGED IN FIRST ARMS TALKS

Ex-Analyst at C.I.A. Says Russians
Misled Nixon and Kissinger,
Resulting in Loopholes

By DREW MIDDLETON

A former analyst for the Central Intelligence Agency has charged that President Nixon and Secretary of State Henry A. Kissinger were deceived by the Soviet Union during negotiations for a limitation on strategic weapons, and that as a result they granted concessions and overlooked loopholes that enabled the Russians to camouflage an expansion of nuclear weaponry.

David S. Sullivan makes the charges in the winter issue of Strategic Review, which is a tax-exempt institution that relies largely on public support and is the organ of the United States Strategic Institute.

Mr. Sullivan was a C.I.A. analyst from 1971 to 1978. He now is legislative assistant on military affairs and strategic weapons issues to Senator Lloyd M. Bentsen, Democrat of Texas.

After citing specific instances of Soviet "deceit," Mr. Sullivan asks whether the United States "can learn from its past mistakes" and apply those lessons to current negotiations for a second-stage limitation treaty.

Article Based on Secret Analysis

According to qualified sources, the article in Strategic Review is based on a highly classified analysis written by Mr. Sullivan when he was in the C.I.A. The use of such reports is up to the Director of Central Intelligence, and no senior officials at the C.I.A. were willing to comment on the Sullivan report.

Mr. Sullivan offers three examples of what he calls Soviet deception during the first round of strategic arms discussions.

The first instance of deception, he says, involved what are described as "heavy" ICBM's, intercontinental ballistic missiles. In May 1972, the Russians were already producing a heavy ICBM — the SS-19. But the United States proposed, in Article II of the strategic arms agreement, that both parties undertake not to convert the launchers of older missiles into launchers suitable for heavy ICBM's.

The Russians could not agree to this stipulation while they were in the process of deploying the SS-19, according to Mr. Sullivan. So they refused to agree on a definition of a heavy ICBM, "leaving a large loophole in the provision designed to deal with the most important United States goal in SALT I: constraints on Soviet heavy ICBM's."

Mr. Kissinger, at a Congressional briefing on June 15, 1972, made clear the American interpretation of Article II and the Administration's definition of a heavy missile. He cited as safeguards a specific statement in the agreement "that no missile larger than a heavyweight light missile that now exists can be substituted." He also asserted that a provision forbidding changes in silo configurations, meaning underground basing and launching sites, was a safeguard against the introduction of heavy missiles.

A similar problem arose over the ceiling on Soviet submarine-launched ballistic missiles proposed by the United States.

The Russians argued that because they lacked forward submarine bases comparable to those of the United States Navy in Guam, Spain and Britain, they should be allowed larger limits than the United States.

Mr. Kissinger accepted the position. He told a Congressional committee that "because of the difference in geography" the Soviet Union required three nuclear missile submarines to two American nuclear submarines to be able to keep an equal number in battle-ready positions.

The article reports, however, that the Soviet Union had already completed development of the long-range SS-N-8 submarine-launched missile, which "would be fired at most United States targets without leaving its home ports." It has been deployed since 1972.

Ban on Mobile Missiles

President Nixon and Leonid I. Brezhnev, the Soviet leader, were involved in negotiating a formal ban on mobile intercontinental ballistic missiles. Mr. Sullivan said that the leaders promised each other that their countries would not build land-based mobile intercontinental ballistic missiles. But he notes that Mr. Brezhnev refused to write that promise into the interim agreement.

Mr. Sullivan, citing "public sources," asserts that the Russians "have produced and covertly stockpiled" about 100 mobile SS-16's. Mr. Sullivan argues that the intermediate range mobile SS-16 can easily be upgraded to an intercontinental missile.

The covert stockpiling, the author contends, gives the Russians an equivalent to a proposed American multiple-aim-point system of mobile missiles before deployment of such missiles has been planned or production begun.

The Russians, Mr. Sullivan adds, have camouflaged and concealed all SS-16 production and development from American intelligence.